WESTFIELD HOLDINGS LIMITED

ANNUAL REPORT 2001

AUSTRALIA NEW ZEALAND UNITED KINGDOM UNITED STATES

CHAIRMAN'S REVIEW	2 - 3
MANAGING DIRECTORS' REVIEW	4 - 5
AUSTRALIA	8 - 9
NEW ZEALAND	10 - 11
UNITED KINGDOM	12 - 13
UNITED STATES	14 - 15
WESTFIELD AND THE COMMUNITY	16 - 17
SENIOR MANAGEMENT	18 - 19
BOARD OF DIRECTORS	20 - 21
FINANCIAL STATEMENTS	22 - 24
NOTES TO FINANCIAL STATEMENTS	25 - 31
DIRECTORS' DECLARATION	32
INDEPENDENT AUDIT REPORT	33
DIRECTORS' REPORT	34 - 37
CORPORATE GOVERNANCE	38 - 39
SHAREHOLDER INFORMATION	40

WESTFIELD HOLDINGS' GLOBAL PORTFOLIO

Number of centres	86
Number of retailers	13,200
Total gross lettable area	6.0 million square metres
Value of assets under management	$24.1 billion

FINANCIAL HIGHLIGHTS

YEAR ENDED 30 JUNE		*2001*	*2000*	*change(%)*
Profit before tax	$million	221.7	192.4	15.2
Profit after tax	$million	169.1	148.3	14.0
Earnings per share (diluted)	Cents	32.05	28.13	13.9
Dividend per share	Cents	16.03	14.15	13.3
Shareholders' funds	$million	746	640	16.6
Total Assets	$million	2,250	1,521	47.9
Assets under management	$billion	24.1	21.0	14.8

IMPORTANT INFORMATION ABOUT THIS CONCISE REPORT

Important information for members

The Directors' Report, Concise Financial Report and Auditor's Statement contained within this document represent a Concise Report. The full financial report of Westfield Holdings Limited for the financial year ended 30 June 2001 and the Auditor's Report thereon will be sent, free of charge, to members upon request. Members wishing to receive the full financial report and Auditor's Report may arrange delivery by visiting our website at www.westfield.com.au. or by calling (+61 2) 9358 7000.

The Concise Report contained within this document has been derived from the full financial report of Westfield Holdings Limited for the financial year ended 30 June 2001 and cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the economic entity as the full report.

Westfield Holdings

is a fully integrated global shopping centre group with **expertise** in every aspect of the **shopping centre business.**

Now in its 41st year as a publicly listed company, Westfield Holdings acts as developer, architect, builder, property manager and funds manager for a $24.1 billion portfolio of shopping centre assets.

Its portfolio of 86 shopping centres in four countries makes it one of the world's largest shopping centre groups.

The portfolio comprises more than 6.0 million square metres of retail space and includes more than 13, 200 retailers.

Westfield's principal objectives are to add value by increasing income from existing centres, through intensive management and redevelopment and to grow through acquisitions in existing and new markets.

WESTFIELD SHOPPINGTOWN UTC, SAN DIEGO, CALIFORNIA

FRANK LOWY, AC, CHAIRMAN

"Westfield has begun the new century on a strong note and it gives me great pleasure to report that we have once again recorded an increase in profits."

CHAIRMAN'S REVIEW

This year profit is up 14.0% to $169.1 million from $148.3 million last year, continuing our tradition of unbroken profit growth for the past 41 years.

While the year was a very successful one for Westfield Holdings, since the reporting date it has been marked by tragedy.

In July, Westfield America, Inc. acquired the long-term leasehold of the retail component of the World Trade Center and we were preparing a plan for a major redevelopment of the site over the next two years or so.

After the terrorist attack on the World Trade Center, Westfield executive Bruce Eagleson is missing, presumed dead. Bruce had been with the company for 13 years and was well-regarded as a professional manager and as a colleague and friend. Our deepest sympathy and condolences have been extended to his wife and family and the company will support them in re-establishing their shattered lives.

At the time of publication, the situation is still being assessed. However, I can confirm that the loss of the World Trade Center will not have a material impact on either Westfield Holdings' earnings, or on the distribution of Westfield America Trust. Westfield America Trust's investment in the World Trade Center was fully insured for loss of both capital and income, including for terrorist attack.

Westfield now has $24.1 billion of shopping centre assets under management in Australia, New Zealand, the UK and the US.

Its solid growth has been made possible by a two-part strategy. The first part aims to grow the business through intensive management and redevelopment of existing assets. The second is to grow through acquisitions in existing and new markets.

During the year, the Westfield Group took steps to simplify its corporate structure in a transaction that will result in Westfield America Trust acquiring all outstanding common shares in Westfield America, Inc. held by the public.

This will consolidate the ownership of Westfield's US shopping centre interests in the Australian-listed Westfield America Trust and provide an opportunity for more attractive valuation, greater liquidity and access to capital than had been available in the US equity market.

On 29 August 2001, Westfield Holdings purchased a 23.9% interest for $920 million in Rodamco North America (RNA), a Netherlands-based company with a portfolio of 41 shopping centres in the United States, from the largest Dutch pension fund, ABP.

Westfield has developed a strategic plan for the RNA portfolio which includes significant savings in operating costs and a major redevelopment plan involving many of the centres. It is also envisaged that the RNA and Westfield America portfolios be ultimately merged to create the pre-eminent shopping centre group in the US.

RNA management has not accepted the strategic plan. However, Westfield intends to be a long-term investor in RNA and at the time of publication was examining all legal and other options to overcome RNA management's resistance to Westfield's involvement in the company.

We are confident of our ability to continue to produce excellent results from our existing assets, and we have an outstanding team of people whose collective expertise means we are well placed to take advantage of new opportunities.

FRANK LOWY, AC
CHAIRMAN

PETER LOWY

STEVEN LOWY

Westfield is moving into its 42nd year with confidence, achieving strong results from all key areas of the business.

Westfield Holdings achieved a profit after tax of $169.1 million for the year to 30 June 2001. This is an increase of 14.0% on last year's result of $148.3 million.

Earnings per share (on a fully diluted basis) were 32.05 cents, up 13.9% on last financial year.

The total dividend payout for the year will be 16.03 cents per share, up 13.3% on last year's dividend of 14.15 cents. The final dividend of 8.76 cents per share will be paid on 28 September 2001. The dividends continue to be 60% franked.

Sales revenue for 2000/2001 was $1.228 billion, an increase of 11.0% on the previous year's figure of $1.106 billion.

Shopping centre assets under management increased from $21.0 billion to $24.1 billion.

All facets of the business contributed to the result.

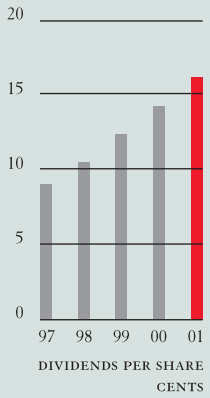
Demand for space in Westfield shopping centres in all markets continues to be solid in both existing centres and new projects and the quality of the shopping centres in the global portfolio has underpinned the performance.

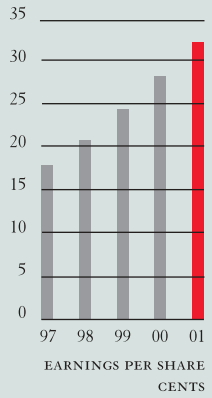
In Australia and New Zealand the portfolio maintained an occupancy level of 99.0% while in the US it achieved an occupancy level of 94.0% which compares favourably with the industry standard.

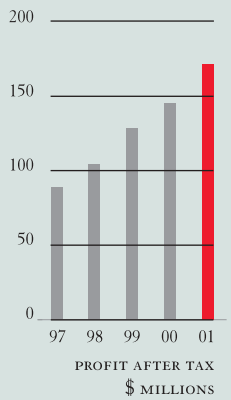
This year Westfield consolidated its UK shopping centre business which now has a portfolio of seven centres valued at $2.1 billion and in New Zealand it successfully launched the Westfield Shoppingtown brand.

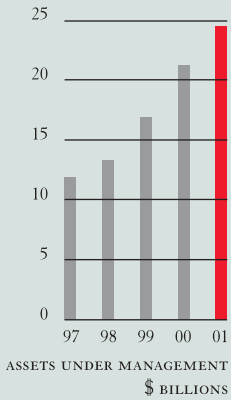
Westfield Holdings also continued its strong performance as a funds manager, responsible for Westfield Trust and Westfield America Trust.

The most recent distribution for Westfield Trust for the six months to 30 June 2001 was 11.42 cents per unit, up 4.1% on the corresponding period last year. Since listing in 1982 Westfield Trust has achieved a compound annual rate of return of 16.6% compared with the Australian Stock Exchange Property Trust Index return of 14.0% and the Australian Stock Exchange All Ordinaries Index return of 15.7%.





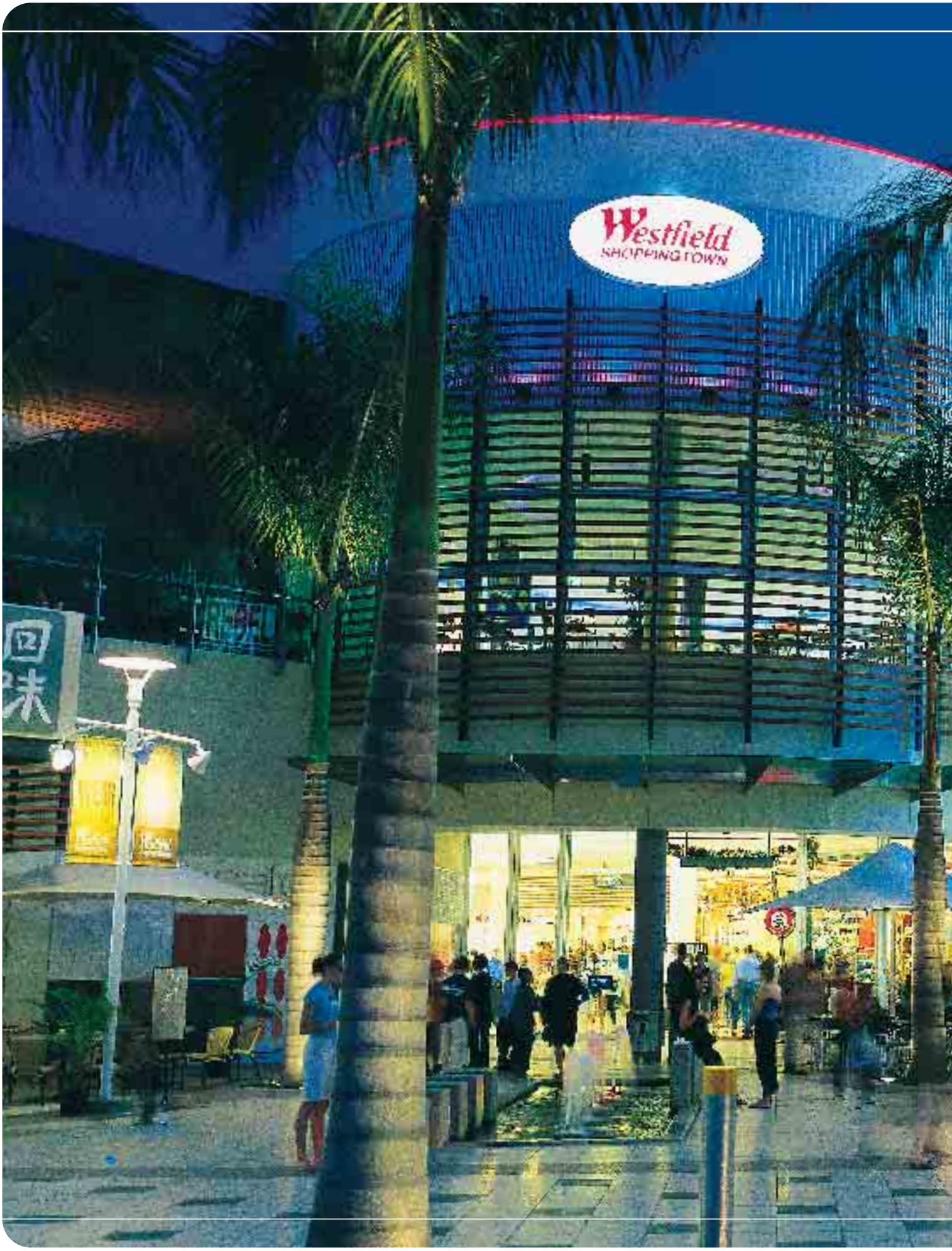




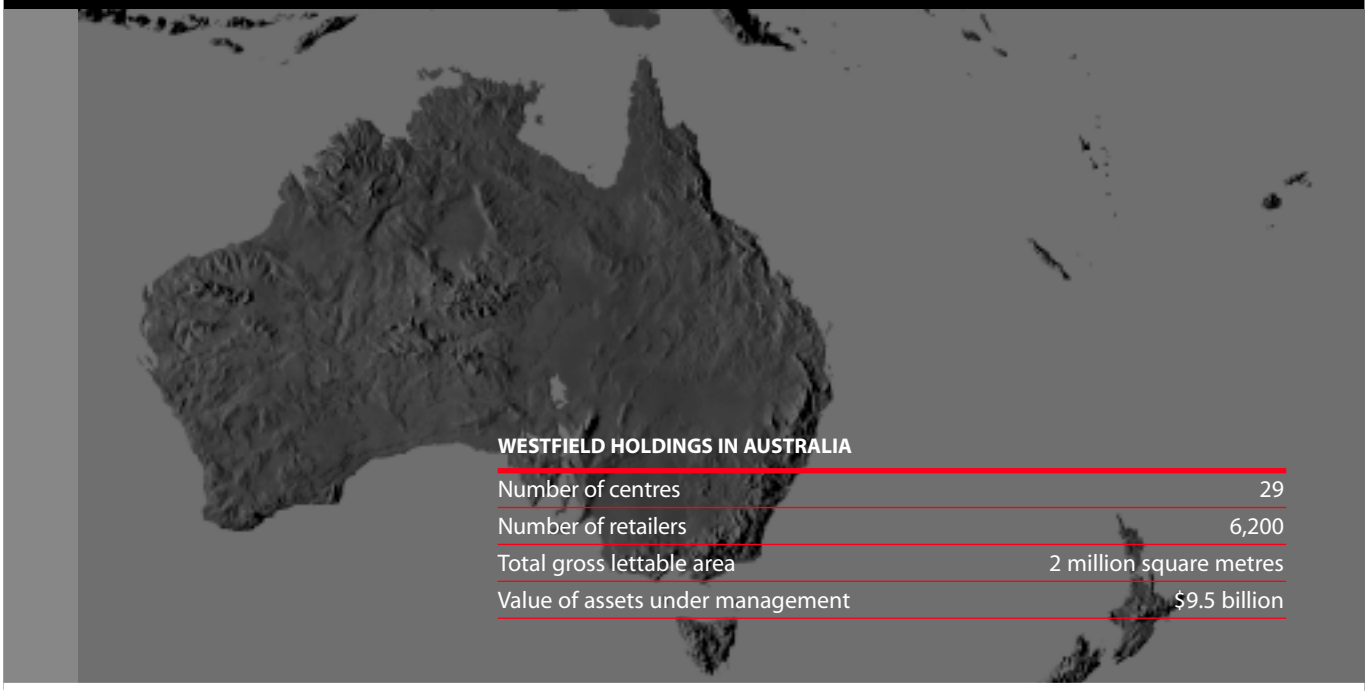
Similarly, Westfield America Trust's most recent distribution for the six months to 30 June 2001 was 6.75 cents per unit, an increase of 5.8% over the previous corresponding period. Since its inception in 1996, Westfield America Trust has achieved a compound annual rate of return of 19.3% compared with the Property Trust Index return of 13.5% and the All Ordinaries Index return of 12.9%.

HIGHLIGHTS FOR THE YEAR

- Westfield's ongoing global redevelopment program, with projects worth about $1.1 billion completed during the year and a further $4.5 billion either under construction or in the planning process.
- In September 2000 Westfield finalised its acquisition of six shopping centres in the UK through a 50:50 joint venture with MEPC. This followed the acquisition of the Broadmarsh Centre in Nottingham in May 2000. Westfield now manages a portfolio of seven centres in the UK valued at £743 million.
- In Australia, two projects were completed – Westfield Burwood in Sydney and Westfield Chermside in Brisbane. Stage two of both the Hornsby project in Sydney and Westfield Fountain Gate in Melbourne were also completed.
- In New Zealand, Westfield completed the redevelopments of Glenfield and WestCity Shoppingtowns in Auckland, ushering in a new style of retailing for New Zealand shoppers in terms of design, facilities and the retail mix on offer.
- In March, stage one of the redevelopment of Westfield Shoppingtown Valley Fair in San Jose, California was opened.
- Redevelopments were completed at Independence in Wilmington, North Carolina, Parkway in San Diego, Annapolis and Montgomery, both in Maryland.


Westfield
SHOPPINGTOWN

WESTFIELD CHERMSIDE, BRISBANE OPENED IN SEPTEMBER 2000
FOLLOWING A $235 MILLION REDEVELOPMENT



WESTFIELD HOLDINGS IN AUSTRALIA

Number of centres	29
Number of retailers	6,200
Total gross lettable area	2 million square metres
Value of assets under management	$9.5 billion

WESTFIELD FOUNTAIN GATE, MELBOURNE

AUSTRALIA

Retail trading conditions have been softer in the past twelve months than at any time in recent years. Despite this, both the demand for space and new developments continue to be solid with the occupancy levels in existing centres remaining above 99.0%.

Retail sales in the 29 Australian centres were up by 8.8% on last year, totalling $8.4 billion. On a comparable basis, retail sales increased by 0.8% with specialty stores up 0.9% over the previous corresponding period.

Due to the introduction of the GST in Australia last year, Westfield Trust has defined retail sales as gross consumer spending. That is, retail sales provided by retailers plus an adjustment for GST. From 1 July 2000, retailers provided sales figures excluding GST and adjustments for the new tax regime are based on estimates supplied by Jebb Holland Dimasi.

It has been an active year for the redevelopment program. In August 2000, Westfield Burwood in Sydney became the first Westfield centre to be totally demolished and rebuilt. Using essentially the same size piece of land, the $300 million project doubled the retail space of the original centre.

In September 2000, a $235 million redevelopment of Westfield Chermside in Brisbane was completed, expanding the retail space from 39,000 to 78,000 square metres, which included *The Street*, Westfield's branded entertainment and lifestyle precinct.

In March 2001, stage two of a $190 million redevelopment of Westfield Fountain Gate, in Melbourne, was opened. When stage three is completed later this year, the centre will be integrated with a civic precinct, including a library, council chambers and an aquatic centre, and will become a unique retail campus.

Like Burwood, Westfield Hornsby has been demolished and is being totally rebuilt, with the adjacent Northgate centre being extended and linked to it. In May 2001, the second stage of the $360 million redevelopment was opened. On completion of stages three and four later this year, Westfield Hornsby will be repositioned as the premier shopping destination on Sydney's upper north shore.

In January 2001, NSW Government approval was received for the redevelopment of Westfield Bondi Junction in Sydney. Planning is now well advanced with work expected to start in the first half of next year.

WESTFIELD HOLDINGS IN NEW ZEALAND

Number of centres	11
Number of retailers	1,000
Total gross lettable area	230,000 square metres
Value of assets under management	NZ$1.4 billion

WESTFIELD SHOPPINGTOWN WESTCITY, AUCKLAND

NEW ZEALAND

During the year, Westfield Trust amalgamated its New Zealand shopping centre interests with the St Lukes Group which led to Westfield Trust acquiring full ownership of St Lukes. Before the acquisition, in August 2000, Westfield Trust had a 46.4% interest in the St Lukes Group.

A month later, the Westfield Shoppingtown brand was launched. This made Westfield the only company to brand shopping centres in New Zealand.

The New Zealand redevelopment program which had been underway continued, and in October 2000, Westfield Shoppingtown Glenfield in Auckland, became the first Westfield redevelopment to open in New Zealand.

This NZ$100 million redevelopment of the largest shopping centre on Auckland's north shore, set a new standard for shopping centres in the country.

In November 2000, the first stage of the NZ$84 million Westfield Shoppingtown WestCity in Auckland redevelopment opened and in July 2001, the final stage was completed with the introduction of *The Street*, an entertainment and leisure precinct which has proved highly successful in Australia.

A major feature of *The Street* at WestCity is a new eight-screen Village Force cinema complex, which is a first for a New Zealand shopping precinct. The introduction of this new concept is set to redefine retail in New Zealand by offering customers a unique shopping and entertainment experience.

Plans are also being finalised for the redevelopment of Westfield Shoppingtowns St Lukes in Auckland and Queensgate in Wellington which are expected to commence later in 2001 or early 2002.

In November, the inaugural *Westfield Works Wonders* charity evening, which allowed more than 80,000 shoppers to enjoy a pre-Christmas, after-hours community shopping event featuring entertainment and celebrity guests, raised over NZ$340,000 for charity. This made it one of the largest charity fundraising events in New Zealand's history.

UNITED KINGDOM

This year saw the consolidation of Westfield's entry into the UK where it now has major interests in and manages seven shopping centres valued at A$2.1 billion.

The operational and pre-development objectives set at the time of Westfield's acquisition of the UK portfolio are being achieved with the centres performing well and plans are moving forward for major redevelopments of a number of centres.

In July 2000, Westfield Holdings signed agreements for £930 million with MEPC plc to form joint ventures to purchase nine shopping centres in the UK.

Of the nine centres, Westfield intended to keep six that had significant redevelopment and growth potential and sell three that were not a strategic fit with the portfolio.

In accordance with this, the six that have now been kept are: The Friary, Guildford; The Eagle Centre, Derby; Castlecourt Shopping Centre, Belfast; Brunel Centre, Swindon; Royal Victoria Place, Tunbridge Wells; and Mill Gate Shopping Centre, Bury.

The acquisition was completed in September 2000 when Westfield and MEPC plc acquired these six shopping centres for £688 million, inclusive of duty.

The purchase of the six properties was financed through non-recourse mortgage loans for approximately £462 million and the remainder by equity. Westfield's half share of the equity contribution was funded from internal sources.

Together with the Broadmarsh Centre in Nottingham, this makes Westfield a significant participant in the UK shopping centre industry and provides a platform for further expansion in the UK and Europe.

The MEPC transaction initially involved a joint venture of nine centres, with Westfield and MEPC agreeing to sell three of the properties because they did not fit strategically into the portfolio. Of those three, the Yate Shopping Centre and Two Rivers Retail Park, Staines, have been sold and contracts have been exchanged for the sale of Kensington Shopping Arcade. Westfield has an 18.8% interest valued at £15 million in the fund that acquired Two Rivers Retail Park which is expected to be sold in the short to medium term.

Progress has been made establishing Westfield's team in the UK with executives from Australia, the US and New Zealand appointed to work with locally based staff to ensure the successful introduction of Westfield's intensive management approach.

Evidence from retailers in Westfield's centres indicate that the UK is enjoying relatively good retail sales conditions.

WESTFIELD HOLDINGS IN THE UK

Number of centres	7
Number of retailers	700
Total gross lettable area	251,000 square metres
Value of assets under management	£743 million

ROYAL VICTORIA PLACE, TUNBRIDGE WELLS

UNITED STATES OF AMERICA

The US shopping centres continued to perform well during the year.

Despite a slowing in growth in retail sales in the US, through its intensive management approach, Westfield recorded a 2.0% increase in retail mall shop sales compared with the same period last year.

There was continuing solid demand for space in existing centres, with an occupancy level of 94.0% which compares favourably with the industry standard.

During the year, Westfield took steps to simplify its corporate structure in a transaction that will result in Westfield America Trust acquiring all outstanding common shares in Westfield America, Inc. held by the public. This will consolidate the ownership of Westfield's US shopping centre interests in the Australian-listed Westfield America Trust, providing an opportunity for a more attractive valuation, greater liquidity and access to capital than had been available in the US equity market.

Westfield now has 39 shopping centres across the United States and manages the retail precincts at six airports.

In July, Westfield America Trust completed the transaction with the Port Authority of New York and New Jersey to lease the retail component of the World Trade Center for 99 years. Westfield Holdings was to have been responsible for the management, leasing and development of the retail area.

The loss of the World Trade Center in the terrorist attack in September is not expected to have a material impact on either Westfield Holdings' earnings or on the distribution of Westfield America Trust, whose investment in the Center was fully insured for loss of both capital and income, including for terrorism.

Westfield will await decisions on the future of the site before considering further action.

Over the year, redevelopment projects in excess of US$200 million were completed with a further US$1.0 billion either under construction or in the planning process.

Stage one of the $165 million redevelopment of Valley Fair in San Jose, California was opened in March 2001 fully leased. Stage two is due for completion in the first half of 2002.

Completed projects include the US$55 million redevelopment of Independence in Wilmington, North Carolina, the US$14 million redevelopment of Parkway, the community strip centre in San Diego, the US$23 million redevelopment of Annapolis and the US$19 million redevelopment of Montgomery, both in Maryland.

Redevelopments are currently underway at Westfield Shoppingtowns in Enfield Connecticut, West County and South County in St Louis, Missouri and Promenade in Los Angeles.

Work is expected to begin soon on redevelopments at Westfield Shoppingtowns Palm Desert in Los Angeles, Oakridge in San Jose and Wheaton Plaza in Maryland.

WESTFIELD HOLDINGS IN THE US

Number of centres	39
Number of retailers	5,300
Total gross lettable area	3.5 million square metres
Value of assets under management	US$5.9 billion

WESTFIELD SHOPPINGTOWN VALLEY FAIR, SAN JOSE, CALIFORNIA

Westfield has always played an important role in the life of communities in which it does business.

"Thank you, Australia"

Australia has been very good to Westfield. It has given the company opportunities, support and a base from which to expand globally. In appreciation of this, Westfield focused its 40th anniversary celebration on publicly saying "Thank you, Australia."

WINNERS OF THE WESTFIELD PREMIER'S EDUCATION SCHOLARSHIP WITH NSW PREMIER, BOB CARR (CENTRE), WESTFIELD MANAGING DIRECTOR STEVEN LOWY (FAR RIGHT), FORMER CHAIRMAN OF BEST AND LESS BEREL GINGES AND HIS WIFE AGNES GINGES (FAR LEFT).

WESTFIELD AND THE COMMUNITY

At a dinner attended by the Prime Minister, John Howard, the Leader of the Opposition, Kim Beazley, four State Premiers and leading figures in business and banking, the Chairman of Westfield, Mr Frank Lowy described how the company had always had "a fair go" in Australia.

In acknowledgement of this, since its early days, Westfield has ensured it put something back into the country through supporting the arts, sport, hospitals, medical research and education. Now, to mark its 40th anniversary, it decided to make another contribution which, in the Westfield spirit of support, would add value and create opportunity.

Westfield will provide $2 million to sponsor a scholarship program to send Australian high school teachers overseas on study leave. Westfield believes that such an opportunity will prove inspirational to the teachers who, in turn, can pass on their experiences to their schools, pupils and the wider community.

In a spontaneous gesture, the former Chairman of Best and Less Mr Berel Ginges and Mrs Agnes Ginges, agreed at the dinner to contribute a further $1 million to the scholarship program. This generous offer will extend the reach of the program, making the scholarship available nationally to 125 teachers over the next five years.

The Prime Minister thanked Frank Lowy and said Westfield's latest contribution was a recognition of the importance of education within the Australian community.

In addition to the scholarship program, Westfield continued to support a range of cultural and community organisations, including the Victorian Arts Centre, the Bangarra Dance Theatre, the Victor Chang Cardiac Research Institute, Sydney Children's Hospital and Westmead Hospital.

As a further mark of the Company's commitment to education, this year Westfield conducted a promotion that saw more than $1 million worth of computer equipment distributed to primary schools across the country.

The eight-week *Shop for your School* campaign, supported by Packard Bell, encouraged shoppers to take their receipts from any purchase in a Westfield shopping centre to the customer service desk where they received point vouchers equal to the dollars spent.

More than 350 primary schools participated in the campaign, representing approximately 150,000 pupils and accumulating more than $82 million worth of point vouchers.

Similarly in the US, Westfield centres in San Diego conducted an *Earning 4 Learning* campaign which was structured in the same way as the *Shop for your School* campaign in Australia.

More than US$100,000 was donated to 150 schools to help purchase books and computer equipment and more than US$10 million in sales were generated as a result.

In November 2000, *Westfield Works Wonders* campaigns were also conducted in the US and New Zealand.

These after-hours shopping evenings benefited schools, hospitals and non-profit organisations in both countries by raising more than US$1.5 million in the US and NZ$340,000 in New Zealand.

The Westfield Group's continued success reflects the effort, dedication and skill of the Westfield team, led by an experienced Board and senior executives.

These executives work in a wide range of disciplines including finance, funds management, administration, development, design and construction, leasing and shopping centre management and marketing.

Westfield's 50 most senior executives have an average age of 48 years and an average of more than 11 years service with the company, reflecting a depth of experience and loyalty which provides stability and continuity for the company.

Members of the global senior management team move between the various markets in which Westfield operates, providing a ready resource of experienced managers who help reinforce the company's culture of intensive management and financial discipline.

Managing Directors Peter and Steven Lowy share responsibility for all aspects of Westfield's business globally. While there is significant overlap in their responsibilities, Peter Lowy focuses broadly on fundraising, capital markets and new business opportunities while Steven Lowy oversees the Group's operations.

The Managing Directors and Group Finance Director Stephen Johns are supported by the senior management team which meets regularly to co-ordinate activities between countries and ensure the entire company is operating as efficiently as possible and remains focused on its primary objective of increasing shareholder value.

PETER ALLEN
DIRECTOR – EUROPE
AGE 40

GREG HAYES
DIRECTOR – FINANCE
AGE 43

JOHN SCHRODER
JOINT CHIEF OPERATING OFFICER – UNITED STATES
AGE 37

MARLON TEPERSON
DEPUTY CHIEF FINANCIAL OFFICER
AGE 45

WESTFIELD HOLDINGS
SENIOR MANAGEMENT

RICHARD GREEN
VICE CHAIRMAN OPERATIONS
– UNITED STATES
AGE 58

MICHAEL GUTMAN
JOINT CHIEF OPERATING
OFFICER – AUSTRALIA &
NEW ZEALAND
AGE 45

VICTOR HOOG ANTINK
DIRECTOR FUNDS
MANAGEMENT
AGE 48

ROBERT JORDAN
JOINT CHIEF OPERATING
OFFICER – AUSTRALIA &
NEW ZEALAND
AGE 47

STEVE SEIDMAN
DIRECTOR CORPORATE
FINANCE & TREASURY
AGE 38

MARK STEFANEK
CHIEF FINANCIAL OFFICER –
UNITED STATES
AGE 47

DIMITRI VAZELAKIS
JOINT CHIEF OPERATING
OFFICER – UNITED STATES
AGE 47

WESTFIELD HOLDINGS
DIRECTORS

FREDERICK HILMER, AO

FRANK LOWY, AC

DAVID LOWY

ROBERT FERGUSON

DAVID GONSKI

STEPHEN JOHNS

PETER LOWY

STEVEN LOWY

DEAN WILLS, AO

CARLA ZAMPATTI, AM

FRANK P LOWY, AC
CHAIRMAN

Frank Lowy is Executive Chairman and co-founder of Westfield. He is a Member of the Board of the Reserve Bank of Australia and a Director of *Daily Mail* and General Trust plc (UK). He is Chairman of the Remuneration Committee.

FREDERICK G HILMER, AO
DEPUTY CHAIRMAN

Appointed as a Non-Executive Director in 1991 and Non-Executive Deputy Chairman in 1997, Frederick Hilmer holds degrees in Law from the Universities of Sydney and Pennsylvania and an MBA from the Wharton School of Finance. He is Chief Executive Officer of John Fairfax Holdings Ltd. Prior to joining Fairfax, he was Dean and Professor of Management at the Australian Graduate School of Management at the University of NSW. He is Chairman of the Audit and Compliance Committee and a member of the Remuneration Committee.

DAVID H LOWY
DEPUTY CHAIRMAN

Appointed Non-Executive Deputy Chairman in June 2000, David Lowy holds a Bachelor of Commerce degree from the University of NSW. He joined Westfield in 1977 and spent a number of years working for the Group in the US. David Lowy was appointed Executive Director in 1982 and then Managing Director in 1987, a position he held until June 2000. David Lowy is a Principal of LFG Holdings. He is a member of the President's Council of the Children's Hospital at Westmead and is Founder and President of Temora Aviation Museum.

ROBERT A FERGUSON

Appointed as a Non-Executive Director in 1994, Robert Ferguson holds an Honours degree in Economics from the University of Sydney and is an Associate of the Securities Institute of Australia. He is Chairman of Vodafone Pacific Ltd and Nextgen Network Pty Ltd and a Director of BT Financial Group Pty Ltd. He is a member of the Remuneration Committee.

DAVID M GONSKI

Appointed as a Non-Executive Director in 1985, David Gonski holds degrees in Law and Commerce. He is Chairman of Investec Wentworth Pty Ltd, Morgan Stanley Dean Witter Australia Ltd and Coca-Cola Amatil Ltd and a Director of John Fairfax Holdings Ltd. He is President of the Art Gallery of New South Wales Trust and Chairman of the National Institute of Dramatic Art. He is a member of the Audit and Compliance Committee and the Remuneration Committee.

STEPHEN P JOHNS
GROUP FINANCE DIRECTOR

Appointed as an Executive Director in 1985, Stephen Johns holds a Bachelor of Economics degree from the University of Sydney and is an Associate of the Institute of Chartered Accountants in Australia. He joined Westfield in 1970 and became Finance Director of Westfield in 1985 and Group Finance Director in 1997.

PETER S LOWY
MANAGING DIRECTOR

Appointed as an Executive Director in 1987. Peter Lowy holds a Bachelor of Commerce degree from the University of NSW. Prior to joining Westfield in 1983, he worked in investment banking in the US and UK. He has resided in the US since 1990 and was appointed a Managing Director in 1997.

STEVEN M LOWY
MANAGING DIRECTOR

Appointed as an Executive Director in 1989, Steven Lowy holds a Bachelor of Commerce (Honours) degree from the University of NSW. Prior to joining Westfield in 1987, he worked in investment banking in the US. In 1997, he was appointed a Managing Director. He is a Director of the Victor Chang Cardiac Research Institute.

DEAN R WILLS, AO

Appointed as a Non-Executive Director in 1994, Dean Wills is Chairman of Transfield Services Ltd, Deputy Chairman of the Australian Grand Prix Corporation, and a Director of John Fairfax Holdings Ltd and Australia Business Arts Foundation.

CARLA M ZAMPATTI, AM

Appointed as a Non-Executive Director in 1997, Carla Zampatti is Executive Chairman of the Carla Zampatti Group. She is Chairman of the Special Broadcasting Service (SBS), a Director of McDonald's Australia Limited, Australian Graduate School of Management and a Trustee of the Sydney Theatre Company Foundation Trust.

WESTFIELD HOLDINGS LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2001

		CONSOLIDATED	
	NOTES	*2001* *$000*	*2000* *$000*
Revenue from ordinary activities	2	1,266,848	1,455,168
Expenses from ordinary activities	3	(1,096,071)	(1,316,933)
Borrowing costs		(67,146)	(47,291)
Share of net profits of associates and joint venture entities		118,046	101,436
Profit from ordinary activities before income tax expense		**221,677**	**192,380**
Income tax expense relating to ordinary activities		(52,570)	(44,053)
Profit from ordinary activities after income tax expense		**169,107**	**148,327**
Increase in asset revaluation reserve		–	53,520
Net exchange difference on translation of financial report of foreign controlled entities		13,000	38
Total revenues, expenses and valuation adjustments attributable to members of Westfield Holdings Limited and recognised directly in equity		13,000	53,558
Total changes in equity other than those resulting from transactions with owners as owners		**182,107**	**201,885**
Earnings per share			
– Basic		32.06c	28.31c
– Diluted		32.05c	28.13c

The accompanying Notes form an integral part of this Concise Financial Report.

WESTFIELD HOLDINGS LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
as at 30 June 2001

	CONSOLIDATED	
	2001	*2000*
	$000	*$000*
Current assets		
Cash	69,560	23,185
Receivables	61,944	64,660
Inventories	84,979	48,295
Other	81,296	43,558
Total current assets	**297,779**	**179,698**
Non-current assets		
Receivables	29,350	30,545
Investments accounted for using the equity method	1,770,038	1,152,417
Other investments	2,867	3,438
Inventories	8,651	8,651
Plant and equipment	91,969	97,782
Deferred tax assets	32,247	35,249
Other	16,992	12,912
Total non-current assets	**1,952,114**	**1,340,994**
Total assets	**2,249,893**	**1,520,692**
Current liabilities		
Payables	209,466	202,893
Interest-bearing liabilities	–	9,557
Current tax liabilities	12,393	30,717
Provisions	46,265	40,460
Total current liabilities	**268,124**	**283,627**
Non-current liabilities		
Payables	307,972	113,393
Interest-bearing liabilities	847,217	413,535
Deferred tax liabilities	72,504	62,348
Provisions	8,267	7,908
Total non-current liabilities	**1,235,960**	**597,184**
Total liabilities	**1,504,084**	**880,811**
Net assets	**745,809**	**639,881**
Equity		
Contributed equity	188,379	179,696
Reserves	112,801	99,801
Retained profits	444,629	360,384
Total equity	**745,809**	**639,881**

The accompanying Notes form an integral part of this Concise Financial Report.

WESTFIELD HOLDINGS LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS
for the year ended 30 June 2001

	NOTE	CONSOLIDATED 2001 $000	2000 $000
Cashflows from operating activities			
Receipts from customers		1,278,141	1,070,116
Payments to suppliers and employees		(1,141,181)	(938,646)
Dividends and distributions received		96,478	91,123
Income taxes paid		(74,288)	(36,221)
Goods and services taxes paid		(10,716)	–
Net cash flows from operating activities	7	**148,434**	**186,372**
Cashflows from investing activities			
Payment for purchases of property, plant and equipment		(34,333)	(15,652)
Proceeds from sale of property, plant and equipment		36,071	–
Payment for purchases of equity investments		(374,894)	(191,955)
Proceeds from sale of equity investments		–	805
Loans repaid by other entities		1,195	7,988
Dividends and distributions received		69	68
Net cash flows used in investing activities		**(371,892)**	**(198,746)**
Cashflows from financing activities			
Proceeds from issues of securities (shares, options etc.)		8,683	2,216
Proceeds from borrowings		417,647	70,062
Interest received		2,747	2,841
Borrowing costs		(71,302)	(49,760)
Dividends paid		(79,057)	(68,797)
Net cash flows from/(used in) financing activities		**278,718**	**(43,438)**
Net increase/(decrease) in cash held		55,260	(55,812)
Add opening cash brought forward		13,628	69,906
Effects of exchange rate changes on cash		672	(466)
Cash at end of year		**69,560**	**13,628**

The accompanying Notes form an integral part of this Concise Financial Report.

NOTE 1 – PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation

The Concise Financial Report ("Financial Report") has been prepared in accordance with the requirements of the Corporations Act 2001 (Cwlth) and Accounting Standard AASB 1039 "Concise Financial Reports". Where applicable, certain comparative figures are restated in order to comply with the current year's presentation of the Financial Report.

(b) Accounting policies

The accounting policies adopted are consistent with those of the previous year.

(c) Rounding

Pursuant to ASIC Class Order 98/0100, the amounts shown in the Financial Report have, unless otherwise indicated, been rounded to the nearest thousand dollars.

	CONSOLIDATED	
	2001	*2000*
	$000	*$000*
NOTE 2 – REVENUE FROM ORDINARY ACTIVITIES		
Revenue from operating activities		
Property development and construction	1,038,189	950,053
Property and funds management	189,841	156,570
Revenue from non operating activities		
Interest income from other corporations	2,747	2,833
Proceeds on disposal of non current assets	36,071	345,712
	1,266,848	**1,455,168**
NOTE 3 – EXPENSES FROM ORDINARY ACTIVITIES		
Costs of materials and supplies	(827,813)	(769,944)
Employment expense	(177,611)	(152,220)
Corporate overheads	(11,444)	(9,439)
Operating lease rental expense	(28,194)	(26,665)
Depreciation and amortisation	(15,722)	(12,413)
Realised foreign exchange gain/(loss)	611	(683)
Book value of non current assets sold	(35,898)	(345,569)
	(1,096,071)	**(1,316,933)**

	CONSOLIDATED	
	2001	*2000*
	$000	*$000*
NOTE 4 – DIVIDENDS		
(a) Dividends proposed		
(i) Current year final		
60% Franked dividends at 8.76c per share (2000: 7.71c)	**46,265**	**40,460**
Dividends proposed will be franked at 30% (2000: 34%) and are expected to be paid on 28 September 2001		
(b) Dividends paid during the year		
(i) Current year interim		
60% Franked dividends at 7.27c per share (2000: 6.44c) Paid on 30 March 2001	**38,396**	**33,751**
(ii) Previous year final		
60% Franked dividends at 7.71c per share (2000: 6.69c) Paid on 29 September 2000	**40,661**	**35,038**
The rate at which paid dividends have been franked is 34% (2000: 36%)		

NOTE 5 – CONTRIBUTED EQUITY

Issued and paid up capital		
Fully paid ordinary shares:		
528,140,598 ordinary shares (2000: 524,770,598 ordinary shares)	**188,379**	**179,696**

During the financial year 3,370,000 (2000: 1,030,000) ordinary shares were allotted, for cash consideration totalling $8.7 million (2000: $2.2 million), following the exercise of executive incentive scheme options over 3,370,000 (2000: 1,030,000) unissued ordinary shares.

Since the end of the financial year 125,000 ordinary shares were allotted for cash consideration totalling $0.531 million following the exercise of executive incentive scheme options over 125,000 unissued ordinary shares.

Options

Pursuant to the Company's Executive Option Plan established in accordance with the Listing Rules of the Australian Stock Exchange Limited and approved by Shareholders at the 1998 Annual General Meeting, options over 1,660,000 (2000: 7,154,500) unissued ordinary shares were granted for no consideration during the financial year.

The exercise price for the options was set at 105% of the market value of the Company's shares at the time the options were issued. The company has a policy of not ascribing a value to options granted at or above current market value. Accordingly, no amounts have been recorded in the Statement of Financial Performance in respect of the issue of these options.

NOTE 5 – CONTRIBUTED EQUITY (CONTINUED)

Details of options outstanding as at the date of this report over unissued ordinary shares including their expiry dates and exercise prices, are as follows:

ISSUE DATE	EXPIRY DATE	EXERCISE PRICE PER OPTION	NOTE	NUMBER ON ISSUE 2001	NUMBER ON ISSUE 2000
24 August 1995	24 August 2000	$2.322		–	2,095,000
4 September 1995	4 September 2000	$2.552		–	25,000
22 September 1995	22 September 2000	$2.890		–	50,000
2 November 1995	2 November 2000	$2.842		–	900,000
7 December 1995	7 December 2000	$3.310		–	25,000
13 December 1995	13 December 2000	$3.384		–	75,000
14 December 1995	14 December 2000	$3.432		–	125,000
1 April 1996	1 April 2001	$3.834		–	75,000
23 June 1995	21 October 2001	$2.246	1	105,000	105,000
7 November 1996	7 November 2001	$4.248	1	–	125,000
5 December 1996	5 December 2001	$4.438	1	700,000	700,000
6 February 1997	6 February 2002	$4.190	1	325,000	325,000
13 November 1997	13 November 2002	$5.990	1	675,000	750,000
28 November 1997	28 November 2002	$6.070	1	275,000	400,000
5 February 1998	5 February 2003	$7.100	1	175,000	275,000
7 September 1998	1 January 2002	$7.490	1	1,000,000	1,000,000
3 September 1998	3 September 2003	$7.580	1	1,590,000	1,840,000
14 September 1998	14 September 2003	$7.540	1	240,000	240,000
9 June 1999	9 June 2004	$9.450	2*	580,000	580,000
4 August 1999	4 August 2004	$9.990	2*	–	39,500
1 October 1999	1 October 2004	$9.310	2*	1,000,000	1,010,000
1 October 1999	1 October 2004	$9.310	2*	4,175,000	4,250,000
4 November 1999	4 November 2004	$9.820	2*	115,000	115,000
23 December 1999	23 December 2004	$10.080	2*	865,000	935,000
3 February 2000	3 February 2005	$9.160	2*	125,000	125,000
10 April 2000	10 April 2005	$9.320	2*	650,000	650,000
22 May 2000	22 May 2005	$8.740	3*	8,000,000	8,000,000
22 September 2000	22 September 2005	$12.550	2*	940,000	–
1 November 2000	1 November 2005	$13.100	2*	125,000	–
9 November 2000	9 November 2005	$13.460	2*	105,000	–
22 December 2000	22 December 2005	$14.210	2*	70,000	–
30 April 2001	30 April 2006	$13.030	2*	375,000	–
6 August 2001	6 August 2006	$15.050	2*	550,000	–
				22,760,000	**24,834,500**

Notes

1 Subject to the rules of the 1993 Executive Incentive Scheme under which these options were granted, the options may be exercised on dates falling 60 days prior to, 30 days prior to, or on the expiration date shown above.

2 Subject to the rules of the 1998 Executive Option Plan under which these options were granted, 25% of these options may be exercised at any time after the third anniversary of their respective grant dates, 25% of these options may be exercised at any time after the fourth anniversary of the grant dates and the remaining 50% of these options may be exercised on the fifth anniversary of their grant date.

3 These options may be exercised at any time during the period commencing on 22 May 2002 and expiring on 22 May 2005.

* Under the terms of issue, when these options are exercised the Company will issue to the holder of the option the number of new ordinary shares to which the option relates at that time. As an alternative to the issue of those new shares, the Company may procure the transfer to the holder of that number of existing ordinary shares. In lieu of, and in full satisfaction for, the issue or transfer of such ordinary shares to the holder, the Board may also either:

(i) pay to the holder an amount equal to the difference between the market value of those shares as at the date of exercise and the exercise price for the options; or

(ii) deliver to the holder that number of shares having a market value at the date of exercise equal to the amount determined under (i).

NOTE 6 – SEGMENTAL INFORMATION

Information by primary geographic segment

	AUSTRALASIA		UNITED KINGDOM		UNITED STATES		GROUP	
	2001	*2000*	*2001*	*2000*	*2001*	*2000*	*2001*	*2000*
	$000	*$000*	*$000*	*$000*	*$000*	*$000*	*$000*	*$000*
SEGMENT REVENUE								
Segment trading revenue	658,664	782,523	7,230	–	562,136	324,100	1,228,030	1,106,623
Equity accounted net profit of associates	–	–	15,162	–	102,884	101,436	118,046	101,436
	658,664	**782,523**	**22,392**	**–**	**665,020**	**425,536**	**1,346,076**	**1,208,059**
Group interest income							2,747	2,833
Proceeds from sale of non-current assets							36,071	345,712
							1,384,894	**1,556,604**
SEGMENT PROFIT								
Segment result before corporate overheads, interest, sale of investments and taxation	127,812	124,401	13,757	–	155,340	122,559	296,909	246,960
Corporate overheads and net interest expense							(75,232)	(54,580)
Tax expense							(52,570)	(44,053)
Consolidated operating profit after tax							**169,107**	**148,327**
SEGMENT ASSETS								
Segment assets	118,406	121,527	573,850	169,317	1,399,510	1,130,733	2,091,766	1,421,577
Corporate assets							158,127	99,115
Consolidated total assets							**2,249,893**	**1,520,692**
SEGMENT LIABILITIES								
Segment liabilities	144,677	170,983	8,888	–	63,941	40,931	217,506	211,914
Corporate liabilities							1,286,578	668,897
Consolidated total assets							**1,504,084**	**880,811**
OTHER SEGMENT INFORMATION								
Investment in equity accounted associates included in segment assets	–	–	548,089	160,772	1,221,949	991,645	1,770,038	1,152,417
Additions to segment non-current assets	10,624	9,683	348,188	148,639	50,415	49,285	409,227	207,607
Depreciation and amortisation	6,273	5,791	765	–	8,684	6,622	15,722	12,413

NOTE 6 – SEGMENTAL INFORMATION (CONTINUED)

Information by secondary business segment

	PROPERTY INVESTMENT		PROPERTY DEVELOPMENT AND CONSTRUCTION		PROPERTY AND FUNDS MANAGEMENT		GROUP	
	2001	*2000*	*2001*	*2000*	*2001*	*2000*	*2001*	*2000*
	$000	*$000*	*$000*	*$000*	*$000*	*$000*	*$000*	*$000*
SEGMENT REVENUE								
Segment trading revenue	–	–	1,038,189	950,053	189,841	156,570	1,228,030	1,106,623
Equity accounted net profit of associates	118,046	101,436	–	–	–	–	118,046	101,436
	118,046	**101,436**	**1,038,189**	**950,053**	**189,841**	**156,570**	**1,346,076**	**1,208,059**
Group interest income							2,747	2,833
Proceeds from sale of non current assets							36,071	345,712
							1,384,894	**1,556,604**
SEGMENT ASSETS								
Segment assets	1,806,605	1,184,612	186,365	159,810	98,796	77,155	2,091,766	1,421,577
Corporate assets							158,127	99,115
Consolidated total assets							**2,249,893**	**1,520,692**
OTHER SEGMENT INFORMATION								
Additions to segment non-current assets	375,888	192,733	9,148	5,479	24,191	9,395	409,227	207,607

	CONSOLIDATED 2001 $000	2000 $000
NOTE 7 – STATEMENT OF CASH FLOWS		
(a) Components of cash:		
Cash	69,560	23,185
Overdrafts and short term loans	–	(9,557)
	69,560	13,628
(b) Reconciliation of net cash flows from operating activities to profit from ordinary activities after income tax:		
Net cash flows from operating activities	148,434	186,372
Amortisation and depreciation	(15,722)	(12,413)
Share of associates' profit in excess of dividend and distribution	15,822	7,221
Profit on disposal of non–current assets	173	143
Dividend and distribution income	69	68
Interest income	2,747	2,833
Interest expense	(70,451)	(48,668)
Interest capitalised	3,305	1,377
Foreign exchange gain/(loss)	611	(683)
(Increase)/decrease in net tax liability	21,719	(8,110)
Increase/(decrease) in other assets attributable to operating activities	62,400	20,187
Profit from ordinary activities after income tax	**169,107**	**148,327**

NOTE 8 – DISCUSSION AND ANALYSIS

- Revenue from operations increased 11% to $1.228 billion.
- Profit before tax increased 15% to $221.7 million.
- All segments of the business contributed positively to the result (refer note 6).
- Fully diluted earnings per share increased 13.9% to 32.05 cents per share.
- Total dividend per share increased 13.3% to 16.03 cents.
- Total assets increased by $729.2 million to $2,224.8 million. The increase is due primarily to the acquisition of the equity accounted property investments in the United Kingdom and to exchange rate movements on foreign currency denominated assets.
- Total liabilities increased by $623.3 million to $1,504.1 million. This increase has arisen principally from additional borrowings to fund the Group's property investments and exchange rate movements relating to the hedging of the Group's foreign currency denominated assets.
- Net assets increased by 17% to $745.8 million.
- At 30 June the Group had cash of $69.6 million, borrowings of $847.2 million and available facilities of $242.2 million.
- Since 30 June the Group issued 31.6 million shares for cash consideration of $500 million and has obtained additional loan facilities of approximately $450 million. These funds were utilised to acquire a 23.9% interest in Rodamco North America N.V. for approximately $920 million (refer note 9).

NOTE 9 – POST BALANCE DATE EVENTS

Westfield Holdings Group purchase of strategic interest in Rodamco North America

On 29 August 2001, the Group purchased a 23.9% strategic interest in Rodamco North America N.V. ("RNA") from Stichting Pensioenfonds ABP ("ABP") the largest Dutch pension fund for $920 million (approximately Euro 537 million). As a result, Westfield has become RNA's largest shareholder. ABP retains a 6.6% interest and the balance of RNA shares are widely held.

The opportunity to pursue the acquisition from ABP was presented to the Board of Westfield America, Inc ("WEA"). The Board of WEA elected not to pursue the acquisition and granted a waiver from the original provisions of the existing non compete arrangements.

RNA is a Netherlands based company with the characteristics of an Australian listed property trust and is listed on a number of European stock exchanges with a market capitalisation of approximately $3.2 billion (approximately Euro 1.9 billion). RNA has total assets in excess of $11.5 billion (US$6.3 billion) and it is the third largest regional mall group in the United States with a portfolio of 41 shopping centres.

The acquisition was funded by : -

(i) An equity issue of 31,746,032 shares being issued at $15.75 per share (ie $500 million) representing a premium of 7.1% to the closing price on 24 August 2001, the last trading day prior to the announcement.

(ii) A Share Purchase Plan raising up to $60 million. The share purchase plan enables shareholders to participate in the capital raising at the same price as the placement in (i) above (up to a maximum of $3,000 per shareholder). The Share Purchase Plan closes on 9 October 2001.

(iii) Existing debt facilities and approximately $450 million of additional facilities obtained subsequent to year end.

RNA is structured along traditional European lines with a Management Board and a Supervisory Board. On 3 September 2001 the Group requisitioned the Management and Supervisory Boards of RNA to convene an extraordinary general meeting of shareholders to consider and approve changes to the composition of its Management and Supervisory Boards.

Subsequent to the transaction on 29 August 2001, the Group has purchased 430,000 RNA shares on market, representing an additional 1% interest in the company.

World Trade Center

Commentary regarding the effect of the loss of the World Trade Center is set out in the Chairman's Review on page 3.

DIRECTORS' DECLARATION

The Directors of Westfield Holdings Limited ("**Company**") declare that:

(a) the financial statements of the Company for the year ended 30 June 2001 ("**Financial Statements**") and notes thereto comply with the accounting standards;

(b) the Financial Statements and notes thereto give a true and fair view of the financial position and performance of the Company together with all entities it is required by the accounting standards to include in those statements;

(c) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(d) in the Directors' opinion, the Financial Statements and notes thereto are in accordance with the Corporations Act 2001 (Cwlth), including sections 296 and 297.

Made on 21 September 2001 in accordance with a resolution of the Board of Directors.

F P LOWY, AC
Chairman

S P JOHNS
Group Finance Director

INDEPENDENT AUDIT REPORT

To the members of Westfield Holdings Limited

Scope

We have audited the concise financial report of Westfield Holdings Limited for the financial year ended 30 June 2001, being the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, notes to the financial statements and the Directors' Declaration in order to express an opinion on it to the members of the company. The company's directors are responsible for the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of Westfield Holdings Limited for the year ended 30 June 2001. Our audit report on the full financial report was signed on 21 September 2001, and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report and examination, on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039 "Concise Financial Reports" applicable in Australia.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the concise financial report of Westfield Holdings Limited complies with Accounting Standard AASB 1039 "Concise Financial Reports".

ERNST & YOUNG

B J LONG
Partner

Sydney
21 September 2001

The Directors of Westfield Holdings Limited ("**Company**") submit the following Report for the year ended 30 June 2001 ("**Financial Year**").

Review of Operations and State of Affairs

A review of the operations during the Financial Year of the Company together with all the entities it is required by the accounting standards to include in consolidated financial statements ("**Group**") and the results of those operations are contained on pages 3 to 15 of the Annual Report.

There were no significant changes in the Group's state of affairs during the Financial Year.

Principal Activities

The principal activities of the Group during the Financial Year were the investment in, management of, and the performance of, development and construction services and funds management in relation to retail property. There were no significant changes in the nature of those activities during the Financial Year.

Subsequent Events

No matter or circumstance has arisen since the end of the Financial Year that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs, in future financial years, other than in connection with the purchase of a strategic interest in Rodamco North America N.V., details of which are described in the Chairman's Review, at page 3 and at Note 9 of the Concise Financial Report.

Future Developments

Likely developments in the Group's operations in future financial years and the expected results of those operations are described in the Chairman's Review, at page 3.

Environmental Performance

Environmental laws and regulations are applicable to areas of the Group's operations and in particular to its development, construction and shopping centre management activities. The Group has in place procedures to identify and meet the necessary levels of compliance with such requirements including, where applicable, obtaining and complying with the conditions of relevant authority consents and approvals and the obtaining of any necessary licences. These compliance procedures are regularly reviewed and audited and their application closely monitored.

Dividends

The following dividends were paid to Members during the Financial Year:

7.71 cents per share final dividend (60% franked at the corporate tax rate of 34%) for the financial year ended 30 June 2000, paid 29 September 2000	$40,659,894
7.27 cents per share interim dividend (60% franked at the corporate tax rate of 34%) for the six months ended 31 December 2000, paid 30 March 2001	$38,395,831

The following final dividend was declared for payment to Members with respect to the Financial Year, but has not been paid as at the date of this Report:

8.76 cents per share final dividend (60% franked at the corporate tax rate of 30%) for the six months ended 30 June 2001, payable 28 September 2001	$46,265,116

The Directors

The names of the Directors in office and the relevant interests of each Director in ordinary shares in the Company as at the date of this Report are shown below. There has been no change to the Board membership during or since the end of the Financial Year.

DIRECTOR	NUMBER OF SHARES	OPTIONS*
F P Lowy, AC }		–
D H Lowy }	159,197,708	1,250,000
P S Lowy }		1,250,000
S M Lowy }		1,250,000
R A Ferguson	54,300	–
D M Gonski	117,500	–
F G Hilmer, AO	70,300	–
S P Johns	1,051,800	500,000
D R Wills, AO	15,500	–
C M Zampatti, AM	161,790	–

* Options issued in accordance with the Company's Executive Option Plan.

Details of the qualifications, experience and special responsibilities of each of the Company's Directors are set out on pages 20 and 21 of this Annual Report.

The number of Directors' meetings, including meetings of Committees of the Board of Directors, held during the Financial Year and the number of those meetings attended by each of the Directors of the Company are shown below:

	BOARD MEETINGS		COMMITTEE MEETINGS	
DIRECTOR	HELD	ATTENDED	HELD	ATTENDED
F P Lowy, AC	13	13	9	9
R A Ferguson	13	13	8	8
D M Gonski	13	13	11	11
F G Hilmer, AO	13	12	10	10
S P Johns	13	13	1	1
D H Lowy	13	13	–	–
P S Lowy	13	12	1	1
S M Lowy	13	13	1	1
D R Wills, AO	13	13	–	–
C M Zampatti, AM	13	13	–	–

Emoluments

The Group's remuneration policies are designed to attract and retain high calibre Directors and senior executives capable of meeting the specific management needs of the Group.

Within that framework, the Remuneration Committee of the Board reviews the remuneration packages and other terms of employment for Executive Directors and relevant senior executives. The Remuneration Committee is concerned to ensure that, in line with market practice, remuneration packages are structured so as to include an appropriate balance of base salary, medium term incentive (by way of annual bonus) and, in appropriate cases, long term incentive (by way of participation in the Company's option and share plans). In determining the level of annual incentive payments, regard is had to the Group's performance during the period under consideration, as well as to the individual's performance and the performance of relevant operational divisions.

Fees paid to Non-Executive Directors are determined by the Board within the current maximum aggregate limit set by Members. Directors' fees are reviewed annually by the Board within that limit, taking into consideration the level of fees paid to Non-Executive Directors by companies of a similar size and stature.

Details of the emolument of each Non-Executive Director, Executive Director and the five additional Executive Officers receiving the highest emoluments are detailed below together with the details of share options issued during the Financial Year.

	FEES (1) $	SALARY PACKAGE (2) (4) $	ANNUAL INCENTIVE (3) (4) $	SUPER-ANNUATION CONTRIBUTIONS $	OTHER BENEFITS $	TOTAL $	NO. OF OPTIONS ISSUED (6)	EXERCISE PRICE $
Non-Executive Directors								
F G Hilmer, AO	110,000	–	–	70,000	–	180,000	–	–
D H Lowy	–	400,000(7)	–	–	259,210(8)	659,210	–	–
D M Gonski	72,500	–	–	70,000	–	142,500	–	–
R A Ferguson	65,000	–	–	70,000	–	135,000	–	–
D R Wills, AO	60,000	–	–	70,000	–	130,000	–	–
C Zampatti, AM	60,000	–	–	70,000	–	130,000	–	–
Executive Directors								
F P Lowy, AC	–	950,911	8,867,080	–	115,643(5)	9,933,634	–	–
P S Lowy *	–	US$850,000	US$750,000	–	–	US$1,600,000	–	–
S M Lowy	–	850,000	1,250,000	–	–	2,100,000	–	–
S P Johns	–	600,000	450,000	–	–	1,050,000	–	–
Executive Officers								
R Green *	–	US$1,014,175	US$2,116,600	–	–	US$3,130,775	–	–
I Hepner*	–	US$573,417	US$77,000	–	–	US$650,417	–	–
J Schroder*	–	US$409,816	US$161,300	–	–	US$571,116	100,000	A$12.55
R Burghdorf *	–	US$442,478	US$120,000	–	–	US$562,478	–	–
D Vazelakis *	–	US$442,635	US$115,000	–	–	US$557,635	–	–

* These individuals are based in the USA. The amounts shown here were determined under US$ denominated service arrangements. These US$ amounts were included in the Financial Statements at the applicable translation rate.

(1) Fees (being base fees and committee fees) paid and payable in respect of the Financial Year.

(2) Salary is the total remuneration package (inclusive of superannuation contributions, benefits in kind and fringe benefits tax thereon) paid and payable in respect of the Financial Year.

(3) Annual incentive includes all amounts paid and payable in respect of the Financial Year.

(4) Salary and annual incentive includes amounts paid to the Director/Executive Officer or to entities affiliated with the Director/Executive Officer for services provided by the Director/Executive Officer.

(5) Amounts accrued in accordance with the Service Agreement in respect of the Financial Year. The amount is payable on retirement subject to the provisions of the Service Agreement and the Corporations Act 2001 (Cwlth).

(6) These options were granted during the year pursuant to the Company's Executive Option Plan which was established in accordance with the Listing Rules of the Australian Stock Exchange Limited and approved by Members at the 1998 Annual General Meeting. The exercise price for the options was set at 105% of the market value of the Company's shares at the time the options were granted. The Company's policy is not to ascribe values to options granted with an exercise price at or above market price.

(7) In June 2000, David Lowy was appointed to the position of Non-Executive Deputy Chairman of the Company. Whilst David Lowy relinquished his day-to-day executive responsibilities he continued to retain responsibility for certain projects within the Westfield Holdings Group.

(8) Payment of annual leave and long service leave balances upon ceasing to be an Executive Director of the Company.

Options

Details of the unissued ordinary shares in the Company under options as at the date of this Report are provided in Note 5 in the Notes to the Concise Financial Report (page 27).

Details of fully paid ordinary shares in the Company which were issued during or since the end of the Financial Year as a result of the exercise of options over unissued shares are provided in Note 5 in the Notes to the Concise Financial Report (page 26).

Indemnities and Insurance Premiums

Subject to the following, no indemnity was given or insurance premium paid during or since the end of the Financial Year for a person who is or has been an officer or auditor of the Group.

The Company's Constitution provides that a person who is or has been a Director or Secretary of the Company is entitled to be indemnified out of the property of the Company against liabilities by the person in that capacity and for all legal costs incurred in defending or resisting (or otherwise in connection with) proceedings in which the person becomes involved because of that capacity unless the Company is forbidden by statute to indemnify the person or an indemnity by the Company of the person would, if given, be made void by statute.

The Group has paid premiums for Directors' and Officers' liability insurance in respect of Directors, Secretaries and Executive Officers of the Group as permitted by the Corporations Act 2001 (Cwlth). The terms of the insurance policy prohibit disclosure of details of the nature of the liabilities covered by, and the amounts of the premiums payable under, that insurance policy.

Audit and Compliance Committee

As at the date of this Report, the Company had an Audit and Compliance Committee of the Board of Directors.

Rounding

The Company is of a kind referred to in Australian Securities & Investments Commission Class Order 98/0100 dated 10 July 1998. Accordingly, amounts in the Directors' Report, the Financial Statements and the Notes thereto have been rounded to the nearest thousand dollars.

Westland Realty, Inc. Sub Group

By an order dated 31 May 2000, the Australian Securities & Investments Commission made an order relieving the Directors from compliance with the requirement to ensure that the financial years of the Company's United States incorporated subsidiaries Westland Realty, Inc., Westfield Partners, Inc. (formerly known as Westland Partners, Inc.) and Westland Management, Inc. ("the WRI Group") coincide with the financial year of the Company for the years commencing from 1 July 1999 and ending 30 June 2002.

Although the financial years of the members of the WRI Group end on 31 December, the Financial Statements have been made out so as to include accounts of each such member for a period coinciding with the Financial Year. On 22 January 2001, Westland Management, Inc. and Westfield Partners, Inc. merged into Westland Realty, Inc.

This Report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.

F P LOWY, AC
Chairman

S P JOHNS
Group Finance Director

21 September 2001

CORPORATE GOVERNANCE

Set out below is a statement of the main corporate governance practices which the Westfield Holdings Limited Group ("Group") had in place during the financial year ended 30 June 2001.

The Board of Directors

The ultimate responsibility for corporate governance resides with the Company's Board of Directors which comprises ten Directors, six of whom are Non-Executive Directors. The Chairman of the Board is F P Lowy, AC and the Deputy Chairmen are F G Hilmer, AO and D H Lowy. Details of the Directors in office as at the date of this statement appear at pages 20 and 21 of this Annual Report.

It is the policy of the Board that its membership should reflect an appropriate balance between executives possessing extensive direct experience and expertise in the core business activities of the Group, and non-executive members who have outstanding track records and reputations attained at the highest levels of industry, and who are able to bring to the Board a broad range of general commercial expertise and experience.

The membership of the Board is reviewed by the full Board from time to time having regard to the ongoing needs of the Group. The appointment of a new member to the Board is only made after consultation with, and consensus being achieved among, the Non-Executive Directors. Directors are initially appointed by the full Board. They are subject to election by Members at the Annual General Meeting following their appointment and, except in the case of the Managing Director (or one of them, when there is more than one Managing Director), are subject to re-election by Members at three-yearly intervals thereafter.

Full Board meetings are held at regular intervals throughout the year, with additional meetings being held if necessary. Directors are provided with Board reports containing sufficient information to enable informed discussion of all agenda items in advance of Board meetings. Any Non-Executive Director may, if that Director deems it necessary, seek independent legal advice on any matter connected with the performance of their duties. In such cases, the Company will reimburse the reasonable costs of such advice. Directors are asked to notify the Company Secretary in advance of seeking such advice.

Board Responsibilities

The Board is accountable to Members and seeks to ensure that the business objectives of the Group are aligned with the expectations of Members and that the operations of the Group are being effectively managed in a manner that is properly focussed on those business objectives as well as conforming to regulatory and ethical requirements.

The Board has established an Audit and Compliance Committee and a Remuneration Committee to assist it in discharging its responsibilities. These committees are described below.

Other committees of the Board may be established from time to time to deal with specific matters.

Audit and Compliance Committee

The Audit and Compliance Committee comprises two Non-Executive Directors, namely:

F G Hilmer, AO (Chairman)	Non-Executive Director
D M Gonski	Non-Executive Director

The primary function of the Audit and Compliance Committee is to ensure that an effective internal control framework exists within the Group, through the establishment and maintenance of adequate internal controls to safeguard the assets of the business and to ensure the integrity and reliability of financial and management reporting systems. The Audit and Compliance Committee:

- reviews and reports to the Board on the half year and annual reports and financial statements of the Group;
- is responsible for nominating the Company's external auditor and reviewing the adequacy, scope and quality of the annual statutory audit and half year statutory audit review;
- reviews the effectiveness of the Group's internal control environment, including the effectiveness of internal control procedures;
- monitors and reviews the reliability of financial reporting;
- monitors and reviews the compliance of the Group with applicable laws and regulations;
- determines the scope of the internal audit function to ensure that its resources are adequate and effectively used, including the co-ordination of the internal and external audit functions; and
- monitors the adequacy and effectiveness of compliance systems in relation to the legal exposures of the Group.

The Audit and Compliance Committee has accepted, as a matter of principle, the need for the Group to have in place an adequate compliance and control framework based upon appropriate written procedures, policies and guidelines to enable areas of legal risk to the business to be identified and appropriately reacted to, and to ensure that members of staff are informed as to those areas of material legal risk relevant to the operational activities in which they are engaged.

Compliance officers have been appointed for the Australian, United States, United Kingdom and New Zealand operations of the Group. Those officers are responsible for reviewing and monitoring the efficacy of compliance systems within the Group on an ongoing basis to ensure appropriate measures are in place to educate staff as to their compliance responsibilities, and to report to the Audit and Compliance Committee on those matters.

The Audit and Compliance Committee meets with the external auditors at least twice a year and more frequently if required. The internal and external auditors have a direct line of communication at any time to either the Chairman of the Audit and Compliance Committee or the Chairman of the Board.

The Audit and Compliance Committee reports to the full Board after each committee meeting.

Remuneration Committee

The Remuneration Committee comprises three Non-Executive Directors and one Executive Director, namely:

F P Lowy, AC (Chairman)	Executive Director
R A Ferguson	Non-Executive Director
D M Gonski	Non-Executive Director
F G Hilmer, AO	Non-Executive Director

The function of the Remuneration Committee is to review the remuneration packages and other terms of employment for Executive Directors and relevant senior executives. Remuneration packages are set at levels designed to attract and retain high calibre senior executives capable of meeting the specific management needs of the Group. Where the service agreements of Executive Directors provide for an annual salary review, that review is undertaken by the Remuneration Committee.

The Remuneration Committee also approves the grant of options and share awards to executives selected for participation in the Company's option and share plans.

Fees paid to Non-Executive Directors are determined by the Board, within the current maximum aggregate limit set by Members. Directors' fees are reviewed annually by the Board within that limit, taking into consideration the level of fees paid to Non-Executive Directors by companies of a similar size and stature.

SHAREHOLDING INFORMATION

as at 7 September 2001

Twenty Largest Holders of Ordinary Shares

	NUMBER OF SHARES	% OF ISSUED SHARES
1. Cordera Holdings Pty Limited	85,420,840	15.26
2. Chase Manhattan Nominees Limited	52,532,326	9.38
3. National Nominees Limited	45,048,559	8.05
4. Westpac Custodian Nominees Limited	26,464,439	4.73
5. Westfield C Fund Pty Limited	16,619,459	2.97
6. Citicorp Nominees Pty Limited	13,331,028	2.38
7. AMP Life Limited	10,411,581	1.86
8. Cordera Holdings Pty Limited	10,000,000	1.79
9. Queensland Investment Corporation	9,641,801	1.72
10. NRMA Nominees Pty Limited	9,270,540	1.66
11. The National Mutual Life Association of Australasia Limited	8,406,049	1.50
12. Amondi Pty Limited (WEOPT A/C)	7,800,000	1.39
13. Commonwealth Custodial Services Limited	7,353,691	1.31
14. Citicorp Nominees Pty Limited (CFS WSLE Imputation Fnd A/C)	7,297,524	1.30
15. J P Morgan Custodial Services Pty Ltd (EQUI A/C)	6,558,422	1.17
16. MLC Limited	5,962,430	1.06
17. Citicorp Nominees Pty Limited (CFS WSLE Aust Share Fnd A/C)	5,475,237	.98
18. Franley Securities Pty Ltd	5,000,000	.89
19. Franley Holdings Pty Ltd	4,883,540	.87
20. Frank P Lowy	4,600,000	.82
	342,077,466	61.09

Voting Rights

At a meeting of members, on a show of hands every person present who is a member or representative of a member has one vote, and on a poll every member present in person or by proxy or attorney and every person who is a representative of a member has one vote for each share they hold or represent.

Distribution Schedule

CATEGORY	NUMBER OF OPTIONS	NUMBER OF OPTION HOLDERS	NUMBER OF SHARES	NUMBER OF SHARE-HOLDERS	PERCENTAGE OF SHARES IN EACH CATEGORY
1 – 1,000	–	–	6,429,992	12,442	1.15
1,001 – 5,000	–	–	15,724,889	6,721	2.81
5,001 – 10,000	10,000	1	7,774,652	1,026	1.39
10,001 – 100,000	3,180,000	101	39,799,553	1,280	7.11
100,001 – and Over	19,845,000	43	490,157,544	281	87.54
Total	**23,035,000**	**145**	**559,886,630**	**21,750**	**100.00**

37 Shareholders hold less than a marketable parcel of quoted securities.

Substantial Shareholders

The names of the Company's substantial shareholders and the number of ordinary shares in which each has a relevant interest, as disclosed in substantial shareholding notices given to the Company at the date of this report, are as follows:

Members of the Lowy family and associates	159,197,708
Commonwealth Bank of Australia	39,552,529

DIRECTORY

WESTFIELD HOLDINGS LIMITED
(Incorporated in the
Commonwealth of Australia)
ACN 001 671 496

FINANCIAL CALENDAR
13 August 2001
Full year profit and dividend announced

31 August 2001
Record date for final dividend

28 September 2001
Final dividend payable

15 November 2001
Annual General Meeting

February 2002
Half-year profit and interim dividend announced

March 2002
Shares trade ex-dividend
Record date for interim dividend
Interim dividend payable

ANNUAL GENERAL MEETING
Thursday, 15 November 2001
at 10.00 am at The Westin Sydney Hotel
1 Martin Place, Sydney

A notice of meeting and a proxy form are
included with this annual report.

DIRECTORY

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100 William Street
Sydney NSW 2011
Telephone: (+61 2) 9358 7000
Facsimile: (+61 2) 9358 7077
Website: www.westfield.com.au

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11601 Wilshire Boulevard
Los Angeles California 90025
Telephone: (+1 310) 478 4456
Facsimile: (+1 310) 478 1267

New Zealand Office
Level 3
Corner Remuera Road and Nuffield Street
Newmarket, Auckland
Telephone: (+64 9) 978 5050
Facsimile: (+64 9) 978 5070

United Kingdom Office
30 Old Burlington Street
London W1S 3AR
Telephone: (+44 20) 7734 2121
Facsimile: (+44 20) 7734 6545

SHARE REGISTRY
Computershare Investor Services
Pty Limited
Level 3
60 Carrington Street
Sydney NSW 2000
Telephone: (+61 2) 8216 5700
Facsimile: (+61 2) 8216 5500

QUEENSLAND REGISTRY
Computershare Investor Services
Pty Limited
Level 27 Central Plaza One
345 Queen Street
Brisbane Qld 4000

ACT REGISTRY
Computershare Investor Services
Pty Limited
C/- Ernst & Young
51 Allara Street
Canberra City ACT 2601

SECRETARY
George T Forster

AUDITORS
Ernst & Young

DESIGNED AND PRODUCED BY ARMSTRONG MILLER+MCLAREN, SYDNEY – MELBOURNE.

Westfield